

PUBLIC HEALTH SOLUTIONS LIMITED

Report and Financial Statements

30 November 1999

**Deloitte & Touche
Hill House
1 Little New Street
London EC4A 3TR**



REPORT AND FINANCIAL STATEMENTS 1999

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REPORT AND FINANCIAL STATEMENTS 1999

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

J R W Ansdell	(resigned 1 April 1999)
C J Sandham	(resigned 31 January 2000)
P H Easterman	(appointed 1 April 1999, resigned 31 January 2000)
A G Heywood	(appointed 31 January 2000)
C B Patel	(appointed 31 January 2000)
S J Purse	(appointed 31 January 2000, resigned 7 March 2000)

SECRETARY

P D A Green	(resigned 31 January 2000)
S J Purse	(appointed 31 January 2000, resigned 7 March 2000)
J Hather	(appointed 7 March 2000)

REGISTERED OFFICE

Kings Court
41-51 Kingston Road
Leatherhead
Surrey KT22 7SZ

BANKERS

The Royal Bank of Scotland plc
London City Office
62-63 Threadneedle Street
London EC2R 8LA

Barclays Bank plc
71 Grey Street
Newcastle upon Tyne
Tyne and Wear NE99 1JP

SOLICITORS

Eversheds
1 Royal Standard Place
Nottingham
NG1 6FZ

AUDITORS

Deloitte & Touche
Chartered Accountants
Hill House
1 Little New Street
London EC4A 3TR

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 30 November 1999.

PRINCIPAL ACTIVITY AND BUSINESS REVIEW

The company has not traded since incorporation, and the directors do not anticipate any change in the foreseeable future.

DIRECTORS AND DIRECTORS' INTERESTS

The directors who served during the year are shown on page 1. No director has had any interest in the shares of the company. The directors' interests in the ultimate parent company, Priory Healthcare Limited, at 30 November 1999 are shown in that company's financial statements.

POST BALANCE SHEET EVENT

On 31 January 2000 the Priory Healthcare Group's entire issued share capital was acquired by Westminster Specialist Health Limited, a subsidiary of Westminster Healthcare Holdings Limited.

AUDITORS

The board considered it appropriate that the auditors to the company should be the Westminster Healthcare Group auditors. Accordingly a resolution to appoint KPMG as auditors to the company will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors
and signed on behalf of the Board



J Hather
Secretary

21 57 700-1 2000

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company as at the end of the financial year and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed;
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS' REPORT TO THE MEMBERS OF PUBLIC HEALTH SOLUTIONS LIMITED

We have audited the financial statements on pages 5 and 6 which have been prepared under the accounting policy set out on page 6.

Respective responsibilities of directors and auditors

As described on page 3 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policy is appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 30 November 1999 and of the result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Deloitte & Touche

Chartered Accountants and
Registered Auditors

21 July 2000

BALANCE SHEET
30 November 1999

	Note	1999 £	1998 £
CURRENT ASSETS			
Debtors	3	2	2
NET CURRENT ASSETS		<u>2</u>	<u>2</u>
NET ASSETS		<u>2</u>	<u>2</u>
CAPITAL AND RESERVES			
Called up share capital	4	2	2
TOTAL EQUITY SHAREHOLDERS' FUNDS		<u>2</u>	<u>2</u>

These financial statements were approved by the Board of Directors on 21st July 2000.

Signed on behalf of the Board of Directors



A G Heywood
Director

NOTES TO THE ACCOUNTS

Year ended 30 November 1999

1. ACCOUNTING POLICY

The financial statements are prepared in accordance with applicable accounting standards. The particular accounting policy adopted is described below.

Accounting convention

The financial statements are prepared under the historical cost convention.

2. PROFIT AND LOSS ACCOUNT

The company did not trade during the year and made neither a profit nor a loss or any other recognised gain or loss.

No employees have been employed by the company during the year. The directors received no remuneration from the company during the year.

Auditors' remuneration for the year has been borne by another group company.

3. DEBTORS

	1999 £	1998 £
Called up share capital not paid	2	2

4. CALLED UP SHARE CAPITAL

	1999 £	1998 £
Authorised:		
1,000 ordinary shares of £1 each	1,000	1,000
	£	£
Called up, allotted and not paid:		
2 ordinary shares of £1 each	2	2

5. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption given by Financial Reporting Standard 8 paragraph 3(c) not to disclose transactions with entities that are part of the Priory Healthcare Limited Group. The consolidated financial statements in which the company is included are publicly available from the registered office.

6. ULTIMATE PARENT COMPANY

The ultimate parent company and controlling entity is Westminster Healthcare Holdings Ltd, a company registered in England and Wales. The company is included in the group accounts of Priory Healthcare Limited, a company registered in England and Wales. Copies of Westminster Healthcare Holdings Ltd and Priory Healthcare Limited's accounts can be obtained from the registered office, Kings Court, 41-51 Kingston Road, Leatherhead, Surrey, KT22 7SZ.

7. POST BALANCE SHEET EVENT

On 31 January 2000 the Priory Healthcare Group's entire issued share capital was acquired by Westminster Specialist Health Limited, a subsidiary of Westminster Healthcare Holdings Limited.